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By clerk at 3:23 pm, Jun 22, 2011

Hope Bay Mining Ltd.
Suite 300
889 Harbourside Drive
North Vancouver, BC
V7P 3S1
Phone 604 985 - 2572
Facsimile 604 980 - 0731
www.newmont.com

June 22, 2011

Technical Advisor – Mining Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Re: May 2011 – Monthly Monitoring Report for Water License 2BB-BOS0712 under Part D – Items 3 and 6, and Part J – Items 2 – 8 and 11 - 14.

Following is the monthly report for May 2011 as required under Water License 2BB-BOS0712. The license was issued on July 6, 2007 and will expire on July 31, 2012. The Advanced Exploration Mining and Milling – Type B licence indicates that the quantity of water usages shall not exceed 100 cubic metres daily, or 365,000 cubic metres annually.

This report contains the information required in Part D (Conditions applying to Waste Disposal) Items 3 and 6, Part J (Conditions Applying to the Monitoring Program) Items 2-8 and 11-14. Other conditions stipulated in the license refer specifically to mining and milling processes which are not applicable at this time.

Upgrades to the Boston Camp facilities are being completed in 2011. The upgrades include renovations to the existing Medic and the recreation facilities.

1. PART D: ITEM 6

Waste backhauled from Boston to Doris for disposal is presented in Table 1.

Waste Stream Quantity (kg) Scrap Wood 1724 Scrap Metal 1336 Rags & Absorbents 54 Rubber (with hydrocarbon) 100 444 Ash Contaminated Soil 909 Total 4567

Table 1: Backhauled Waste from Boston, May 2011

2. PART J: ITEM 2, 5, AND 7

Sampling was not conducted at monitoring station BOS-2 (Containment Pond), BOS-5 (Bulk Fuel Storage), BOS-6 (Land farm Treatment Facility), or BOS-8 (Waste Rock and Ore Storage Pad).

3. PART J: ITEM 3 AND 4

Table 2 shows the results for samples collected from the sewage treatment plant effluent (BOS-3) in May. Effluent quality from the Sewage Treatment Facility was compliant for all parameters with the exception of Oil and Grease visible sheen. Samples were not collected from BOS-4 as this station is frozen. Annual toxicity testing at BOS-4 will be completed once during open water season.

Table 2: Sampling Results in mg/L for Monitoring Station BOS-3, May 2011

Parameters	BOS-3	License # 2BB-BOS0712
ALS Lab Reference #	L1003031-1	Part D: Item 17
Sample Date/Time	May 9/11@ 07:30 hrs	
BOD_5	23.8	80.0 mg/l
Total Suspended Solids	11	100.0 mg/l
Faecal Coliform	1540	10,000 CFU/100ml
Oil and Grease (visible sheen)	No	No visible sheen
Oil and Grease	1.4	mg/L
pН	6.62	6.0 – 9.5 pH unit

4. PART J: ITEM 11 AND 12

Water for drilling, as well as Domestic use during May, is detailed in Table 3.

Table 3: Daily Drill Water Usage in cubic metres (m³), May 2011

- Date	Drills					100 m³ Daily
	Orbit 22	Orbit 24	Orbit 25	Drills Total	Domestic Usage	Daily Total
1	0.1	2.7		2.8	4.4	7.2
2	0.0	3.4		3.4	5.0	8.4
3	0.5	2.5		3	4.9	7.9
4	0.4	3.3		3.7	4.1	7.8
5	0.4	2.8		3.2	3.7	6.9
6	1.3	3.0		4.3	4.6	8.9
7	1.9	1.4		3.3	4.6	7.9
8	2.1	2.0		4.1	3.7	7.8
9	0.6	2.2	7.4	10.2	3.9	14.1
10		0.5	8.8	9.3	3.5	12.8
11		1.1	0.7	1.8	4.2	6.0
12		0.3	0.5	0.8	4.1	4.9
13		2.0	11.8	13.8	3.5	17.3
14		1.5	7.8	9.3	4.3	13.6
15		2.2	12.0	14.2	4.3	18.5
16		1.8	4.5	6.3	4.8	11.1
17		2.1	5.5	7.6	4.5	12.1
18			4.9	4.9	4.4	9.3
19			4.1	4.1	4.3	8.4
20			3.1	3.1	5.3	8.4
21			1.7	1.7	4.3	6.0
22			2.8	2.8	0.0	2.8
23			3.5	3.5	8.4	11.9
24			8.2	8.2	1.4	9.6
25			5.2	5.2	6.7	11.9
26			_		4.4	4.4
27					6.4	6.4
28					5.6	5.6
29					5.5	5.5
30					6.0	6.0
31					6.0	6.0
Monthly Total	7.3	34.8	92.5	134.6	140.8	275.4
Monthly Average	0.8	2.0	5.4	5.4	4.5	8.9
Monthly Min	0	0.3	0.5	0.8	0	2.8
Monthly Max	2.1	3.4	12.0	14.2	8.4	18.5
Previous Annual Cumulative				170.1	184.4	354.5
Current Annual Cumulative				304.7	325.2	629.9

5. PART J: ITEM 8 (REFERENCE TO PART F: ITEM 7)

Under-ice water quality samples were not collected from Aimaokatalok (Spyder) Lake in May.

6. PART J: ITEM 12

No mine water was pumped from underground (Boston Portal) during the month.

7. PART J: ITEM 13 AND 14

The volume of sewage effluent discharged from BOS-3 is shown in Table 4.

Table 4: Treated Sewage Effluent released in cubic metres (m³), May 2011

Parameters	Estimated Effluent BOS-3 (m ³)	Sludge Removed (m ³)
Annual Cumulative	330.9	-
Monthly Cumulative	152.87	-

8. INCIDENT REPORTING

There were 2 incidents reported during the month pertaining to this licence.

May 7/11: Level 2 (Minor) - Approximately 2 litres of diesel oil was spilled as a result of a leaking drain plug on a tank in the pump shack on Orbit 24 at Spyder Lake. The spill was cleaned up and the plug was repaired.

May 7/11: Level 2 (Minor) - Approximately 4 - 5 litres of diesel oil spilled as a result of a crack in a containment tray at the sloop on Orbit 24 at Spyder Lake. The spill was cleaned up and the leak was repaired.

Should there be any questions regarding the monthly report for May 2011, please contact Chris Hanks, Director, Environment and Social Responsibility at 720-917-4489 or Chris.Hanks@Newmont.com.
Yours sincerely,

Chris Hanks

Director, Environment and Social Responsibility Hope Bay Mining Limited